

**California Department of Social Services
2019 Proposed Trailer Bill Language**

Re-bench County In-Home Supportive Services Maintenance-of-Effort

Section 12306.1 of the Welfare and Institutions Code is amended to read:

12306.1. (a) When any increase in provider wages or benefits is locally negotiated, mediated, or imposed by a county, public authority, or nonprofit consortium, or any increase in provider wages or benefits is adopted by ordinance pursuant to Article 1 (commencing with Section 9100) of Chapter 2 of Division 9 of the Elections Code, then the county shall use county-only funds to fund both the county share and the state share, including employment taxes, of any increase in the cost of the program, unless otherwise provided for in the annual Budget Act or appropriated by statute. No increase in wages or benefits locally negotiated, mediated, imposed, or adopted by ordinance pursuant to this section, or increase to the public authority administrative rate, shall take effect unless and until, prior to its implementation, the increase is reviewed and determined to be in compliance with state law and the department has obtained the approval of the State Department of Health Care Services for the increase pursuant to a determination that it is consistent with federal law and to ensure federal financial participation for the services under Title XIX of the federal Social Security Act, and unless and until all of the following conditions have been met:

(1) Each county has provided the department with documentation of the approval of the county board of supervisors of the proposed public authority or nonprofit consortium rate, including wages and related expenditures. The documentation shall be received by the department before the department and the State Department of Health Care Services may approve the increase.

(2) Each county has met department guidelines and regulatory requirements as a condition of receiving state participation in the rate.

(b) Any rate approved pursuant to subdivision (a) shall take effect commencing on the first day of the month subsequent to the month in which final approval is received from the department. The department may grant approval on a conditional basis, subject to the availability of funding.

(c) The state shall pay 65 percent, and each county shall pay 35 percent, of the nonfederal share of wage and benefit increases pursuant to subdivision (a) and associated employment taxes, only in accordance with subdivision (d).

(d) (1) The state shall participate in a total of wages and individual health benefits up to twelve dollars and ten cents (\$12.10) per hour until the amount specified in

paragraph (1) of subdivision (b) of Section 1182.12 of the Labor Code reaches twelve dollars (\$12.00) per hour at which point the state shall participate as provided in paragraph (2).

(2) For any increase in wages or individual health benefits locally negotiated, mediated, or imposed by a county, public authority, or nonprofit consortium, and approved by the department, or any increase in provider wages or benefits adopted by ordinance pursuant to Article 1 (commencing with Section 9100) of Chapter 2 of Division 9 of the Elections Code, the state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to one dollar and ten cents (\$1.10) per hour above the amount per hour specified for the corresponding year in paragraph (1) of subdivision (b) of, subdivision (c) of, and subdivision (d) of, Section 1182.12 of the Labor Code.

(3) (A) For a county that is at or above twelve dollars and ten cents (\$12.10) per hour in combined wages and individual health benefits, the state shall participate as provided in subdivision (c) in a cumulative total of up to 10 percent within a three-year period in the sum of the combined total of changes in wages or individual health benefits, or both.

(B) The state shall participate as provided in subparagraph (A) for no more than two three-year periods, after which point the county shall pay the entire nonfederal share of any future increases in wages and individual health benefits that exceed the amount specified in paragraphs (1) and (2).

(C) A three-year period is defined as three consecutive years. A new three-year period can only begin after the last year of the previous three-year period.

(D) To be eligible for state participation, a 10-percent increase described in this paragraph is required to be commenced prior to the date that the minimum wage reaches the amount specified in subparagraph (F) of paragraph (1) of subdivision (b) of Section 1182.12 of the Labor Code.

(4) Paragraphs (2) and (3) do not apply to contracts executed, or to increases in wages or individual health benefits, locally negotiated, mediated, imposed, or adopted by ordinance, prior to July 1, 2017.

Section 12306.16 of the Welfare and Institutions Code is amended to read:

(a) Commencing July 1, 2017, all counties shall have a County IHSS Maintenance of Effort (MOE).

(b) (1) (A) The statewide total County IHSS MOE base for the 2017–18 fiscal year shall be established at one billion seven hundred sixty-nine million four hundred forty-three thousand dollars (\$1,769,443,000). This amount reflects the estimated county share of IHSS program base costs calculated pursuant to Sections 10101.1 and 12306, as those sections read on June 1, 2017, and reflected in the department's 2017 May Revision local assistance subvention table for the 2017–18 fiscal year.

(B) If actual IHSS program base costs, as determined by the Department of Finance on or before May 14, 2018, attributable to the 2017–18 fiscal year are lower than the costs assumed in the 2017 May Revision local assistance subvention table, the statewide total County IHSS MOE base for the 2017–18 fiscal year shall be adjusted accordingly pursuant to Sections 10101.1 and 12306, as those sections read on June 1, 2017.

(2) The Department of Finance shall consult with the California State Association of Counties to determine each county's share of the statewide total County IHSS MOE base amount. The County IHSS MOE base shall be unique to each individual county.

(3) (A) Administration expenditures are included in the County IHSS MOE and shall include both county administration, including costs associated with the IHSS case management, information, and payrolling system, and public authority administration.

(B) The amount of General Fund moneys available for county administration and public authority administration is limited to the amount of General Fund moneys appropriated for those specific purposes in the annual Budget Act, and increases to this amount do not impact the County IHSS MOE.

(C) To be eligible to receive its share of General Fund moneys appropriated in a fiscal year for county administration and public authority administration costs, the county is only required to expend the full amount of its County IHSS MOE that is attributable to county and public authority administration for that fiscal year and no additional county share of cost shall be required. The department shall consult with the California State Association of Counties to determine the county-by-county distribution of the amount of General Fund moneys appropriated in the annual Budget Act for county administration and public authority administration.

(D) Amounts expended by a county or public authority on administration in excess of the amount described in subparagraphs (A) and (B) shall not be attributed towards the county meeting its County IHSS MOE requirement.

(E) As part of the preparation of the 2018–19 Governor's Budget, the department shall work with the California State Association of Counties, County Welfare

Directors Association of California, and the Department of Finance to examine the workload and budget assumptions related to administration of the IHSS program for the 2017–18 and 2018–19 fiscal years.

(c) (1) On July 1, 2018, the County IHSS MOE base as specified in subdivision (b) shall be adjusted by an inflation factor of 5 percent.

(2) Beginning on July 1, 2019, and annually thereafter, the County IHSS MOE from the previous year shall be adjusted by an inflation factor of 7 percent.

(3) (A) Notwithstanding paragraphs (1) and (2), in fiscal years in which the total of 1991 realignment revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code for the prior fiscal year is less than the total received for the next prior fiscal year, the inflation factor shall be zero.

(B) Notwithstanding paragraphs (1) and (2), in fiscal years in which the total of 1991 realignment revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code for the prior fiscal year is equal to or up to 2 percent greater than the total received for the next prior fiscal year, the inflation factor shall be one-half of the amount specified in either paragraph (1) or (2).

(C) The Department of Finance shall provide notification to the appropriate fiscal committees of the Legislature and the California State Association of Counties by May 14 of each year of the inflation factor that will apply for the following fiscal year, based on the calculation in subparagraph (A) and (B).

(d) In addition to the adjustment in subdivision (c), the County IHSS MOE shall be adjusted for the annualized cost of increases in provider wages or health benefits that are locally negotiated, mediated, or imposed, on or after July 1, 2017, including any increases in provider wages or health benefits adopted by ordinance pursuant to Article 1 (commencing with Section 9100) of Chapter 2 of Division 9 of the Elections Code.

(1) (A) If the department approves an increase in provider wages or health benefits that are locally negotiated, mediated, imposed, or adopted by ordinance pursuant to Section 12306.1, the state shall pay 65 percent, and the affected county shall pay 35 percent, of the nonfederal share of the cost increase in accordance with subparagraph (B).

(B) With respect to any increase in provider wages or health benefits approved on or after July 1, 2017, pursuant to subparagraph (A), the state shall participate in that increase as provided in subparagraph (A) up to the amount specified in paragraphs (1), (2), and (3) of subdivision (d) of Section 12306.1. The county shall pay the entire nonfederal share of any cost increase exceeding the amount specified in paragraphs (1), (2), and (3) of subdivision (d) of Section 12306.1.

(C) With respect to an increase in benefits, other than individual health benefits, locally negotiated, mediated, or imposed by a county, public authority, or nonprofit

consortium, or adopted by ordinance, the county's County IHSS MOE shall include a one-time adjustment equal to 35 percent of the nonfederal share of the increased benefit costs.

(D) The county share of increased expenditures pursuant to subparagraphs (A) to (C), inclusive, shall be included in the County IHSS MOE, in addition to the amount established under subdivisions (b) and (c). For any increase in provider wages or health benefits, or increase in other benefits pursuant to subparagraph (C), that becomes effective on a date other than July 1, the Department of Finance shall adjust the county's County IHSS MOE to reflect the annualized cost of the county's share of the nonfederal cost of the wage or health benefit increase. This adjustment shall be calculated based on the county's 2017–18 paid IHSS hours and the appropriate cost-sharing ratio as grown by the applicable number of inflation factors pursuant to subdivision (c) that have occurred up to and including the fiscal year in which the increase becomes effective.

(2) (A) If the department does not approve the increase in provider wages or health benefits, or increase in other benefits pursuant to subparagraph (C) of paragraph (1), that are locally negotiated, mediated, imposed, or adopted by ordinance pursuant to Section 12306.1 or paragraph (3), the county shall pay the entire nonfederal share of the cost increases.

(B) The county share of increased expenditures pursuant to subparagraph (A) shall be included in the County IHSS MOE, in addition to the amount established under subdivisions (b) and (c). For any increase in provider wages or health benefits that becomes effective on a date other than July 1, the Department of Finance shall adjust the county's County IHSS MOE to reflect the annualized cost of the county's share of the nonfederal cost of the wage or health benefit increase. This adjustment shall be calculated based on the county's 2017–18 paid IHSS hours and the appropriate county sharing ratio as grown by the appropriate number of applicable inflation factors pursuant to subdivision (c) that have occurred up to and including the fiscal year in which the increase becomes effective.

(3) In addition to the rate approval requirements specified in subdivisions (a) to (c), inclusive, of Section 12306.1, it shall be presumed by the department that rates and other economic terms that are locally negotiated, mediated, imposed, or adopted by ordinance are approved.

(4) (A) With respect to any rate increases to existing contracts that a county has already entered into pursuant to Section 12302, the state shall pay 65 percent, and the affected county shall pay 35 percent, of the nonfederal share of the amount of the rate increase up to the maximum amounts established pursuant to Sections 12302.1 and 12303. The county shall pay the entire nonfederal share of any portion of the rate increase exceeding the maximum amount established pursuant to Sections 12302.1 and 12303. This adjustment shall be calculated based on the county's 2017–18 paid IHSS contract hours, or the paid contract hours in the fiscal year in which the contract becomes effective if the contract becomes effective on or

after July 1, 2017, using the appropriate cost-sharing ratio as grown by the applicable number of inflation factors pursuant to subdivision (c) that have occurred up to and including the fiscal year in which the increase becomes effective.

(B) With respect to rates for new contracts entered into by a county pursuant to Section 12302 on or after July 1, 2017, the state shall pay 65 percent, and the affected county shall pay 35 percent, of the nonfederal share of the difference between the locally negotiated, mediated, imposed, or adopted by ordinance, provider wage and the contract rate for all of the hours of service to IHSS recipients to be provided under the contract up to the maximum amounts established pursuant to Sections 12302.1 and 12303. The county shall pay the entire nonfederal share of any portion of the contract rate exceeding the maximum amount established pursuant to Sections 12302.1 and 12303. This adjustment shall be calculated based on the county's paid contract hours in the fiscal year in which the contract becomes effective using the appropriate cost-sharing ratio.

(C) The county share of these expenditures shall be included in the County IHSS MOE, in addition to the amounts established under subdivisions (b) and (c). For any rate increases for existing contracts or rates for new contracts, entered into by a county pursuant to Section 12302 on or after July 1, 2017, that become effective on a date other than July 1, the Department of Finance shall adjust the county's County IHSS MOE to reflect the annualized cost of the county's share of the nonfederal cost of the increase or rate for new contracts. This adjustment shall be calculated as follows:

(i) For a contract described in subparagraph (A), the first-year cost of the amount of the rate increase calculated using the pro rata share of the number of hours of service provided in the contract for the fiscal year in which the increase became effective.

(ii) For a contract described in subparagraph (B), the first-year cost of the difference between the locally negotiated, mediated, imposed, or adopted by ordinance, provider wage and the contract rate for all of the hours of service to IHSS recipients calculated using the pro rata share of the number of hours of service provided in the contract for the fiscal year in which the contract became effective.

(5) In the event the state ceases to receive enhanced federal financial participation for the provision of services pursuant to Section 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k)), the County IHSS MOE shall be adjusted one time to reflect a 35-percent share of the enhanced federal financial participation that would have been received pursuant to Section 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k)) for the fiscal year in which the state ceases to receive the enhanced federal financial participation.

(6) The County IHSS MOE shall not be adjusted for increases in individual provider wages that are locally negotiated pursuant to subdivision (a) of, and paragraphs (1)

and (2) of subdivision (d) of, Section 12306.1 when the increase has been specifically negotiated to take effect at the same time as, and to be the same amount as, state minimum wage increases.

(7) (A) A county may negotiate a wage supplement.

(i) The wage supplement shall be in addition to the highest wage rate paid in the county since June 30, 2017.

(ii) The first time the wage supplement is applied, the county's County IHSS MOE shall include a one-time adjustment by the amount of the increased cost resulting from the supplement, as specified in paragraph (1).

(B) A wage supplement negotiated pursuant to subparagraph (A) shall subsequently be applied to the minimum wage when the minimum wage increase is equal to or exceeds the county wage paid without inclusion of the wage supplement and the increase to the county wage paid takes effect at the same time as the minimum wage increase.

(C) For any changes to provider wages or health benefits locally negotiated, mediated, or imposed by a county, public authority, or nonprofit consortium, for which a rate change request was submitted to the department prior to January 1, 2018, for review, clause (i) of subparagraph (A) and subparagraph (B) shall not apply. A wage supplement subject to this subparagraph shall subsequently be applied to the minimum wage when the minimum wage is equal to or exceeds the county individual provider wage including the wage supplement.

(8) The Department of Finance shall consult with the California State Association of Counties to develop the computations for the annualized amounts pursuant to this subdivision.

(e) The County IHSS MOE shall only be adjusted pursuant to subdivisions (c) and (d).

(f) A county's County IHSS MOE costs paid to the state shall be reduced by the amount of any General Fund offset provided to the county pursuant to Section 12306.17.

(g) This section shall become inoperative on July 1, 2019.

Section 12306.16 is added to the Welfare and Institutions Code to read:

(a) Commencing July 1, 2019, all counties shall have a rebased County IHSS Maintenance of Effort (MOE).

(b) (1) The statewide total rebased County IHSS MOE base for the 2019–20 fiscal year shall be established at one billion five hundred fifty-nine million two hundred one thousand one hundred thirty-nine dollars (\$1,559,201,139).

(2) The Department of Finance shall consult with the department and the California State Association of Counties to determine each county's share of the statewide total rebased County IHSS MOE base amount. The rebased County IHSS MOE base shall be unique to each individual county.

(3)(A) The amount of General Fund moneys available for county administration and public authority administration is limited to the amount of General Fund moneys appropriated for those specific purposes in the annual Budget Act and increases to this amount do not impact the rebased County IHSS MOE.

(B) The state shall pay 100 percent of the allowable nonfederal share of county administration and public authority administration costs for each county until the county's share of the appropriated General Fund money is exhausted at which point each county shall pay 100 percent of the nonfederal share of county administration and public authority administration costs. Each county shall pay 100 percent of any costs for public authority administration that are in excess of the county's approved rate approved pursuant to Section 12306.1(a). At the end of the fiscal year any remaining General Fund allocated for IHSS county administration or public authority administration shall be redistributed through a methodology determined in conjunction with the County Welfare Directors Association of California or the California Association of Public Authorities.

(C) Amounts expended by a county or public authority on administration in excess of the amount described in subparagraphs (A) and (B) shall not be attributed towards the county meeting its rebased County IHSS MOE requirement.

(D) The department shall consult with the California State Association of Counties, the County Welfare Directors Association of California and the California Association of Public Authorities to determine the county-by-county distribution of the amount of General Fund moneys appropriated in the annual Budget Act for county administration and public authority administration.

(c) Beginning on July 1, 2020, and annually thereafter, the rebased County IHSS MOE from the previous year shall be adjusted by an inflation factor of 4 percent.

(d) In addition to the adjustment in subdivision (c), the rebased County IHSS MOE shall be adjusted for the annualized cost of increases in provider wages, health benefits, or other benefits that are locally

negotiated, mediated, or imposed, on or after July 1, 2019, including any increases in provider wages, health benefits, or other benefits adopted by ordinance pursuant to Article 1 (commencing with Section 9100) of Chapter 2 of Division 9 of the Elections Code or any future increases resulting from the same including increases to health benefit premiums. For health benefit premium increases only, for any memorandum of understanding or collective bargaining agreement between the recognized employee organization and the county, public authority, or nonprofit consortium, executed or extended and submitted to the department for approval prior to January 1, 2019 through the end date, as specified in the memorandum of understanding or collective bargaining agreement referenced above, the state will cover 100 percent of the nonfederal share of health benefit premium increases and there will be no adjustment to the rebased County IHSS MOE.

(1) (A) If the department approves an increase in provider wages or health benefits that are locally negotiated, mediated, imposed, or adopted by ordinance pursuant to Section 12306.1, the state shall pay 65 percent, and the affected county shall pay 35 percent, of the nonfederal share of the cost increase in accordance with subparagraph (B).

(B) With respect to any increase in provider wages or health benefits approved on or after July 1, 2019, pursuant to subparagraph (A), the state shall participate in that increase as provided in subparagraph (A) up to the amount specified in paragraphs (1), (2), and (3) of subdivision (d) of Section 12306.1. The county shall pay the entire nonfederal share of any cost increase exceeding the amount specified in paragraphs (1), (2), and (3) of subdivision (d) of Section 12306.1.

(C) With respect to an increase in benefits, other than individual health benefits, locally negotiated, mediated, or imposed by a county, public authority, or nonprofit consortium, or adopted by ordinance, the county's County IHSS MOE shall include a one-time adjustment equal to 35 percent of the nonfederal share of the increased benefit costs. If the department, in consultation with California State Association of Counties, determines that the increase is one in which the state does not participate, the county's County IHSS MOE shall include a one-time adjustment for the entire nonfederal share. If the increase is one that is not eligible for either federal or state participation as determined by the department and the state Department of Health Care Services, the county is responsible for the entire cost of the increase.

(2) (A) Beginning on the date that the minimum wage reaches the amount specified in subparagraph (F) of paragraph (1) of subdivision (b) of Section 1182.12 of the Labor Code, if the department approves an increase in provider wages or health benefits that are locally negotiated, mediated, imposed, or adopted by ordinance pursuant to Section 12306.1, or future cost increases resulting from the same including increases to health benefit premiums, the state shall pay 35 percent, and the affected county shall pay 65 percent, of the nonfederal share of the cost increase in accordance with subparagraph (B). For health benefit premium increases only, for any memorandum of understanding or collective bargaining agreement between the recognized employee organization and the county, public authority or, nonprofit consortium, executed or extended and submitted to the department for approval prior to January 1, 2019 through the end date, as specified in the memorandum of understanding or collective

bargaining agreement referenced above, the state will cover 100 percent of the nonfederal share of health benefit premium increases and there will be no adjustment to the rebased County IHSS MOE.

(B) With respect to any increase in provider wages or health benefits approved on or after the date that the minimum wage reaches the amount specified in subparagraph (F) of paragraph (1) of subdivision (b) of Section 1182.12 of the Labor Code, pursuant to subparagraph (A), paragraphs (1), (2), and (3) of subdivision (d) of Section 12306.1 shall not apply.

(C) Beginning on the date that the minimum wage reaches the amount specified in subparagraph (F) of paragraph (1) of subdivision (b) of Section 1182.12 of the Labor Code, with respect to an increase in benefits, other than individual health benefits, locally negotiated, mediated, or imposed by a county, public authority, or nonprofit consortium, or adopted by ordinance, in which the state participates, the county's rebased County IHSS MOE shall include a one-time adjustment equal to 65 percent of the nonfederal share of the increased benefit costs. If the department determines that the increase is one in which the state does not participate, the county's rebased County IHSS MOE shall include a one-time adjustment for the entire nonfederal share. If the increase is one that is not eligible for either federal or state participation as determined by the department and the state Department of Health Care Services, the county is responsible for the entire cost of the increase.

(3) If the department does not approve the increase in provider wages or health benefits, or increase in other benefits pursuant to subparagraph (C) of paragraph (1) or subparagraph (C) of paragraph (2), that are locally negotiated, mediated, imposed, or adopted by ordinance pursuant to Section 12306.1, or increase to the public authority administrative rate, the county shall pay the entire cost of the increase.

(4) The county share of increased expenditures pursuant to subparagraphs (A) to (C) of paragraph (1) and subparagraphs (A) to (C) of paragraph (2), shall be included in the rebased County IHSS MOE, in addition to the amount established under subdivisions (c) and (d). For any increase in provider wages or health benefits, or increase in other benefits pursuant to subparagraph (C) of paragraph (1) or subparagraph (C) of paragraph (2), that becomes effective on a date other than July 1, the department shall adjust the county's rebased County IHSS MOE to reflect the annualized cost of the county's share of the nonfederal cost of the wage or health benefit increase. This adjustment shall be calculated based on the county's 2019–20 paid IHSS hours and the appropriate cost-sharing ratio as grown by the applicable number of inflation factors pursuant to subdivision (c) that have occurred up to and including the fiscal year in which the increase becomes effective.

(5) (A) With respect to any rate increases to existing contracts that a county has already entered into pursuant to Section 12302, the state shall pay 65 percent, and the affected county shall pay 35 percent, of the nonfederal share of the amount of the rate increase up to the maximum amounts established pursuant to Sections 12302.1 and 12303. The county shall pay the entire nonfederal share of any portion of the rate increase exceeding the maximum amount established pursuant to Sections 12302.1 and 12303. This adjustment shall be calculated based on the county's 2019-20 paid IHSS contract hours, or the paid contract hours in the fiscal year in which the contract becomes effective if the contract becomes effective on or after July 1, 2017, using the appropriate cost-sharing ratio as grown by the

applicable number of inflation factors pursuant to subdivision (c) that have occurred up to and including the fiscal year in which the increase becomes effective.

(B) With respect to rates for new contracts entered into by a county pursuant to Section 12302 on or after July 1, 2019, the state shall pay 65 percent, and the affected county shall pay 35 percent, of the nonfederal share of the difference between the locally negotiated, mediated, imposed, or adopted by ordinance, provider wage and the contract rate for all of the hours of service to IHSS recipients to be provided under the contract up to the maximum amounts established pursuant to Sections 12302.1 and 12303. The county shall pay the entire nonfederal share of any portion of the contract rate exceeding the maximum amount established pursuant to Sections 12302.1 and 12303. This adjustment shall be calculated based on the county's paid contract hours in the fiscal year in which the contract becomes effective using the appropriate cost-sharing ratio.

(6) (A) Beginning on the date that the minimum wage reaches the amount specified in subparagraph (F) of paragraph (1) of subdivision (b) of Section 1182.12 of the Labor Code, with respect to any rate increases to existing contracts that a county has already entered into pursuant to Section 12302, the state shall pay 35 percent, and the affected county shall pay 65 percent, of the nonfederal share of the amount of the rate increase up to the maximum amounts established pursuant to Sections 12302.1 and 12303. The county shall pay the entire nonfederal share of any portion of the rate increase exceeding the maximum amount established pursuant to Sections 12302.1 and 12303. This adjustment shall be calculated based on the county's 2019–20 paid IHSS contract hours, or the paid contract hours in the fiscal year in which the contract becomes effective if the contract becomes effective on or after July 1, 2019, using the appropriate cost-sharing ratio as grown by the applicable number of inflation factors pursuant to subdivision (c) that have occurred up to and including the fiscal year in which the increase becomes effective.

(B) Beginning on the date that the minimum wage reaches the amount specified in subparagraph (F) of paragraph (1) of subdivision (b) of Section 1182.12 of the Labor Code, with respect to rates for new contracts entered into by a county pursuant to Section 12302 on or after July 1, 2019, the state shall pay 35 percent, and the affected county shall pay 65 percent, of the nonfederal share of the difference between the locally negotiated, mediated, imposed, or adopted by ordinance, provider wage and the contract rate for all of the hours of service to IHSS recipients to be provided under the contract up to the maximum amounts established pursuant to Sections 12302.1 and 12303. The county shall pay the entire nonfederal share of any portion of the contract rate exceeding the maximum amount established pursuant to Sections 12302.1 and 12303. This adjustment shall be calculated based on the county's paid contract hours in the fiscal year in which the contract becomes effective using the appropriate cost-sharing ratio.

(7) The county share of the expenditures referenced in paragraphs (5) and (6) shall be included in the rebased County IHSS MOE, in addition to the amounts established under subdivisions (c) and (d). For any rate increases for existing contracts or rates for new contracts, entered into by a county pursuant to Section 12302 on or after July 1, 2019, that become effective on a date other than July 1, the Department of Finance shall adjust the county's rebased County IHSS MOE to reflect the annualized cost

of the county's share of the nonfederal cost of the increase or rate for new contracts. This adjustment shall be calculated as follows:

(i) For a contract described in subparagraph (A) of paragraphs (5) or (6), the first-year cost of the amount of the rate increase calculated using the pro rata share of the number of hours of service provided in the contract for the fiscal year in which the increase became effective.

(ii) For a contract described in subparagraph (B) of paragraphs (5) or (6), the first-year cost of the difference between the locally negotiated, mediated, imposed, or adopted by ordinance, provider wage and the contract rate for all of the hours of service to IHSS recipients calculated using the pro rata share of the number of hours of service provided in the contract for the fiscal year in which the contract became effective.

(8) In the event the state ceases to receive enhanced federal financial participation for the provision of services pursuant to Section 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k)), the rebased County IHSS MOE shall be adjusted one time to reflect a 35-percent share of the enhanced federal financial participation that would have been received pursuant to Section 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k)) for the fiscal year in which the state ceases to receive the enhanced federal financial participation.

(9) The rebased County IHSS MOE shall not be adjusted for increases in individual provider wages that are locally negotiated pursuant to subdivision (a) of, and paragraphs (1) and (2) of subdivision (d) of, Section 12306.1 when the increase has been specifically negotiated to take effect at the same time as, and to be the same amount as, state minimum wage increases.

(10) (A) A county may negotiate a wage supplement.

(i) The wage supplement shall be in addition to the highest wage rate paid in the county since June 30, 2017.

(ii) The first time the wage supplement is applied, the county's rebased County IHSS MOE shall include a one-time adjustment by the amount of the increased cost resulting from the supplement, as specified in paragraphs (1) and (2).

(B) A wage supplement negotiated pursuant to subparagraph (A) shall subsequently be applied to the minimum wage when the minimum wage increase is equal to or exceeds the county wage paid without inclusion of the wage supplement and the increase to the county wage paid takes effect at the same time as the minimum wage increase.

(C) For any changes to provider wages or health benefits locally negotiated, mediated, or imposed by a county, public authority, or nonprofit consortium, for which a rate change request was submitted to the department prior to January 1, 2018, for review, clause (i) of subparagraph (A) and subparagraph (B) shall not apply. A wage supplement subject to this subparagraph shall subsequently be applied to the minimum wage when the minimum wage is equal to or exceeds the county individual provider wage including the wage supplement.

(11) The Department of Finance shall consult with the California State Association of Counties to develop the computations for the annualized amounts pursuant to this subdivision.

(e) The rebased County IHSS MOE shall only be adjusted pursuant to subdivisions (c) and (d).

(f) This section shall become operative July 1, 2019.

Section 12306.17 of the Welfare and Institutions Code is amended to read:

12306.17.

(a) A portion of IHSS costs that are the counties' responsibility shall be offset using a combination of General Fund moneys appropriated in the annual Budget Act and redirected 1991 Realignment Vehicle License Fee growth revenues pursuant to subdivision (c) of Section 17606.20, as follows:

(1) (A) There is hereby appropriated three hundred sixty-three million nine hundred ninety-eight thousand dollars (\$363,998,000) from the General Fund for the 2017–18 fiscal year to offset a portion of IHSS costs incurred by counties. This amount reflects the difference between the combined estimated amounts of 2016–17 and 2017–18 Vehicle License Fee growth revenues that would have been deposited into the Family Support Subaccount of the Vehicle License Fee Account of the Local Revenue Fund pursuant to Section 17600.50 and four hundred million dollars (\$400,000,000).

(B) The amount of General Fund moneys appropriated in the 2017–18 fiscal year pursuant to subparagraph (A) shall be increased or decreased by the Department of Finance based on revised 2016–17 and 2017–18 Vehicle License Fee growth revenue estimates included in the 2018–19 Governor's Budget and subsequent May Revision, such that the total offset equals four hundred million dollars (\$400,000,000).

(C) The amount of General Fund moneys appropriated in the 2017–18 fiscal year for the In-Home Supportive Services program pursuant to subparagraphs (A) and (B) shall be available for encumbrance or expenditure until June 30, 2018.

(2) For the 2018–19 fiscal year, the amount of the General Fund offset provided shall be the difference between the amount of 2018–19 Vehicle License Fee growth revenues that would have been deposited into the Family Support Subaccount of the Vehicle License Fee Account of the Local Revenue Fund pursuant to Section 17600.50 and three hundred thirty million dollars (\$330,000,000).

~~(3) For the 2019–20 fiscal year, the amount of the General Fund offset provided shall be the difference between the amount of 2019–20 Vehicle License Fee growth revenues that would have been deposited into the Family Support Subaccount of the Vehicle License Fee Account of the Local Revenue Fund pursuant to Section 17600.50 and two hundred million dollars (\$200,000,000).~~

~~(4) For the 2020–21 fiscal year, the amount of the General Fund offset provided shall be the difference between the amount of 2020–21 Vehicle License Fee growth revenues that would have been deposited into the Family Support Subaccount of~~

~~the Vehicle License Fee Account of the Local Revenue Fund pursuant to Section 17600.50 and one hundred fifty million dollars (\$150,000,000).~~

~~(5) For the 2021–22 fiscal year and every fiscal year thereafter, the amount of the General Fund offset provided shall be one hundred fifty million dollars (\$150,000,000).~~

(b) The Department of Finance shall consult with the California State Association of Counties to determine the distribution of General Fund moneys available for offset of each county's IHSS costs in each fiscal year as specified in subdivision (a).

Section 17600.15 of the Welfare and Institutions Code is amended to read:

17600.15.

(a) Of the sales tax proceeds from revenues collected in the 1991–92 fiscal year which are deposited to the credit of the Local Revenue Fund, 51.91 percent shall be credited to the Mental Health Subaccount, 36.17 percent shall be credited to the Social Services Subaccount, and 11.92 percent shall be credited to the Health Subaccount of the Sales Tax Account.

(b) For the 1992–93 fiscal year to the 2011–12 fiscal year, inclusive, of the sales tax proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make monthly deposits to the Mental Health Subaccount, the Social Services Subaccount, and the Health Subaccount of the Sales Tax Account until the deposits equal the amounts that were allocated to counties', cities', and cities and counties' mental health accounts, social services accounts, and health accounts, respectively, of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Account and the Sales Tax Growth Account. Any excess sales tax revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code shall be deposited in the Sales Tax Growth Account of the Local Revenue Fund.

(c) (1) For the 2012–13 fiscal year, of the sales tax proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make monthly deposits to the Social Services Subaccount and the Health Subaccount of the Sales Tax Account until the deposits equal the amounts that were allocated to counties', cities', and cities and counties' social services accounts and health accounts, respectively, of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Account and the Sales Tax Growth Account.

(2) For the 2012–13 fiscal year, of the sales tax proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make monthly deposits to the Mental Health Subaccount of the Sales Tax Account until the deposits equal the amounts that were allocated to counties', cities', and cities and counties' CalWORKs Maintenance of Effort Subaccounts pursuant to subdivision (a) of Section 17601.25, and any additional amounts above the amount specified in subdivision (a) of Section 17601.25, of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Account and the Sales Tax Growth Account. The Controller shall not include in this calculation any funding deposited in the Mental Health Subaccount from the Support Services Growth Subaccount pursuant to Section 30027.9 of the Government Code or funds described in subdivision (c) of Section 17601.25.

(3) Any excess sales tax revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code after the allocations required by paragraphs (1) and (2) are made shall be deposited in the Sales Tax Growth Account of the Local Revenue Fund.

(d) (1) For the 2013–14 fiscal year, of the sales tax proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make monthly deposits pursuant to a schedule provided by the Department of Finance, which shall provide deposits to the Social Services Subaccount and the Health Subaccount of the Sales Tax Account until the deposits equal the amounts that were allocated to counties', cities', and cities and counties' social services accounts and health accounts, respectively, of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Account and the Sales Tax Growth Account.

(2) For the 2013–14 fiscal year, of the sales tax proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make monthly deposits to the Mental Health Subaccount of the Sales Tax Account until the deposits equal the amounts that were allocated to counties', cities', and cities and counties' CalWORKs Maintenance of Effort Subaccounts pursuant to subdivision (a) of Section 17601.25, and any additional amounts above the amount specified in subdivision (a) of Section 17601.25, of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Account and the Sales Tax Growth Account. The Controller shall not include in this calculation any funding deposited in the Mental Health Subaccount from the Support Services Growth Subaccount pursuant to Section 30027.9 of the Government Code or funds described in subdivision (c) of Section 17601.25.

(3) Any excess sales tax revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code after the allocations required by paragraphs (1) and (2) are made shall be deposited in the Sales Tax Growth Account of the Local Revenue Fund.

(4) On a monthly basis, pursuant to a schedule provided by the Department of Finance, the Controller shall transfer funds from the Social Services Subaccount to the Health Subaccount in an amount that shall not exceed three hundred million dollars (\$300,000,000) for the 2013–14 fiscal year. The funds so transferred shall not be used in calculating future year deposits to the Social Services Subaccount or the Health Subaccount.

(e) For the 2014–15 fiscal year through the 2016–17 fiscal year, except as specified in paragraph (5), of the sales tax proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make the following monthly deposits:

(1) To the Social Services Subaccount of the Sales Tax Account, until the deposits equal the total amount that was deposited to the Social Services Subaccount in the prior fiscal year pursuant to this section, in addition to the amounts that were allocated to the social services accounts of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Growth Account.

(2) To the Health Subaccount of the Sales Tax Account, until the deposits equal the total amount that was deposited to the Health Subaccount in the prior year from the Sales Tax Account in addition to the amounts that were allocated to the health accounts of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Growth Account.

(3) To the Child Poverty and Family Supplemental Support Subaccount until the deposits equal the amounts that were deposited in the prior fiscal year from the Sales Tax Account and the Sales Tax Growth Account.

(4) To the Mental Health Subaccount of the Sales Tax Account until the deposits equal the amounts that were allocated to counties', cities', and cities and counties' CalWORKs Maintenance of Effort Subaccounts pursuant to subdivision (a) of Section 17601.25, and any additional amounts above the amount specified in subdivision (a) of Section 17601.25 of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Account and the Sales Tax Growth Account. The Controller shall not include in this calculation any funding deposited in the Mental Health Subaccount from the Support Services Growth Subaccount pursuant to Section 30027.9 of the Government Code or funds described in subdivision (c) of Section 17601.25.

(5) (A) Any excess sales tax revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code after the allocations required by paragraphs (1) to (4), inclusive, are made shall be deposited in the Sales Tax Growth Account of the Local Revenue Fund. This subparagraph shall only apply to allocations made for the 2014–15 fiscal year.

(B) For the 2015–16 fiscal year and the 2016–17 fiscal year, any excess sales tax revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code after the allocations required by paragraphs (1) to (4), inclusive, and subdivision (h) are made shall be deposited in the Sales Tax Growth Account of the Local Revenue Fund.

(6) For the 2014–15 fiscal year, on a monthly basis, pursuant to a schedule provided by the Department of Finance, the Controller shall transfer funds from the Social Services Subaccount to the Health Subaccount in an amount that shall not exceed one billion dollars (\$1,000,000,000). The transfer schedule shall be based on the amounts that each county is receiving in vehicle license fees pursuant to this

chapter. The funds so transferred shall not be used in calculating future year deposits to the Social Services Subaccount or the Health Subaccount.

(f) For the 2017–18 ~~and 2018-19~~ fiscal years ~~and for every fiscal year thereafter~~, of the sales tax proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make the following monthly deposits pursuant to a schedule developed by the Department of Finance:

(1) To the Health Subaccount of the Sales Tax Account, until the deposits equal the total amount that was deposited to the Health Subaccount in the prior year from the Sales Tax Account in addition to the amounts that were allocated to the health accounts of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Growth Account.

(2) To the Mental Health Subaccount of the Sales Tax Account until the deposits equal the amounts that were allocated to counties', cities', and cities and counties' CalWORKs Maintenance of Effort Subaccounts pursuant to subdivision (a) of Section 17601.25, and any additional amounts above the amount specified in subdivision (a) of Section 17601.25 of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Account and the Sales Tax Growth Account. The Controller shall not include in this calculation any funding deposited in the Mental Health Subaccount from the Support Services Growth Subaccount pursuant to Section 30027.9 of the Government Code or funds described in subdivision (c) of Section 17601.25.

(3) To the Social Services Subaccount of the Sales Tax Account, until the deposits equal the sum of the following:

(A) The total amount that was deposited to the Social Services Subaccount in the prior fiscal year pursuant to this section, in addition to the amounts that were allocated to the social services accounts of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Growth Account.

(B) The increased amount of the County IHSS MOE for the current fiscal year pursuant to Sections 12306.16 and 12306.17 as determined by July 1 of that fiscal year over the County IHSS MOE for the prior fiscal year subject to the determination made in subdivision (g).

(4) To the Child Poverty and Family Supplemental Support Subaccount until the deposits equal the amounts that were deposited in the prior fiscal year from the Sales Tax Account and the Sales Tax Growth Account.

(5) Any excess sales tax revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code after the allocations required by

paragraphs (1) to (4), inclusive, and subdivision (h) are made shall be deposited in the Sales Tax Growth Account of the Local Revenue Fund.

(g) On or before January 10 and on or before May 14, the Department of Finance shall do all of the following:

(1) Estimate the amount of sales tax revenues to be received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code to be received in the current fiscal year compared to the total amount of sales tax revenues necessary to fully fund the current fiscal year bases of the County Medical Services Program Subaccount, as determined by paragraph (2) of subdivision (h), and the Health Subaccount, the Mental Health Subaccount, the Social Services Subaccount, and the Child Poverty and Family Supplemental Support Subaccount of the Sales Tax Account as determined in paragraphs (1), (2), and (4) of, and subparagraph (A) of paragraph (3) of, subdivision (f).

(2) If it is determined pursuant to paragraph (1) that there will be sufficient sales tax revenues in the current fiscal year to fully fund the current fiscal year bases, then the schedule developed by the Department of Finance pursuant to subdivision (f) will fund on a monthly basis as much of the increased Social Services Subaccount base identified in subparagraph (B) of paragraph (3) of subdivision (f) as the excess sales tax revenues will permit.

(3) If it is determined pursuant to paragraph (1) that there will be insufficient sales tax revenues in the current fiscal year to fully fund the current fiscal year bases, then the schedule developed by the Department of Finance pursuant to subdivision (f) will not fund the increased Social Services Subaccount base identified in subparagraph (B) of paragraph (3) of subdivision (f), and shall ensure that the County Medical Program Services Subaccount, the Health Subaccount, the Mental Health Subaccount, the Social Services Subaccount, and the Child Poverty and Family Supplemental Support Subaccount of the Sales Tax Account shall receive sales tax revenues proportionate to their current year bases as determined by paragraph (2) of subdivision (h) and paragraphs (1), (2), and (4) of, and subparagraph (A) of paragraph (3) of, subdivision (f).

(4) In no fiscal year where there is sufficient sales tax revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code to fully fund the bases of the County Medical Services Program Subaccount as determined by paragraph (2) of subdivision (h), and the Health Subaccount, the Mental Health Subaccount, the Social Services Subaccount, and the Child Poverty and Family Supplemental Support Subaccount, of the Sales Tax Account, as determined by paragraphs (1), (2), and (4) of, and subparagraph (A) of paragraph (3) of, subdivision (f), shall those subaccounts receive less than those amounts.

(5) Sales tax revenues allocated pursuant to this subdivision each fiscal year shall be adjusted by the Department of Finance, pursuant to a schedule provided to the Controller, in consultation with the California State Association of Counties, as needed but no later than August 30 of each year, to reflect the actual sales tax revenues received for that fiscal year.

(6) This subdivision shall only be operative for the 2017-18 and 2018-19 fiscal years.

(h) For the 2019-20 fiscal year and for every fiscal year thereafter, of the sales tax proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make the following monthly deposits pursuant to a schedule developed by the Department of Finance:

(1) To the Health Subaccount of the Sales Tax Account, until the deposits equal the total amount that was deposited to the Health Subaccount in the prior fiscal year from the Sales Tax Account in addition to the amounts that were allocated to the health accounts of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Growth Account.

(2) To the Mental Health Subaccount of the Sales Tax Account until the deposits equal the amounts that were allocated to counties', cities', and cities and counties' CalWORKs Maintenance of Effort Subaccounts pursuant to subdivision (a) of Section 17601.25, and any additional amounts above the amount specified in subdivision (a) of Section 17601.25 of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Account and the Sales Tax Growth Account. The Controller shall not include in this calculation any funding deposited in the Mental Health Subaccount from the Support Services Growth Subaccount pursuant to Section 30027.9 of the Government Code or funds described in subdivision (c) of Section 17601.25.

(3) To the Social Services Subaccount of the Sales Tax Account, until the deposits equal the total amount that was deposited to the Social Services Subaccount in the prior fiscal year from the prior fiscal year, in addition to the amounts that were allocated to the social services accounts of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Growth Account.

(4) To the Child Poverty and Family Supplemental Support Subaccount until the deposits equal the amounts that were deposited in the prior fiscal year from the Sales Tax Account and the Sales Tax Growth Account.

(5) Any excess sales tax revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code after the allocations required by

paragraphs (1) to (4), inclusive, are made shall be deposited in the Sales Tax Growth Account of the Local Revenue Fund.

(h) (1) For the 2015–16 fiscal year, the allocations to the County Medical Services Program Subaccount shall equal the amounts received in the prior fiscal year by the County Medical Services Program from the Sales Tax Account and the County Medical Services Program Subaccount of the Sales Tax Growth Account of the Local Revenue Fund, as adjusted by the calculations required under subdivision (a) of Section 17600.50.

(2) For the 2016–17 fiscal year and for every fiscal year thereafter, the allocations to the County Medical Services Program Subaccount shall equal the amounts received in the prior fiscal year by the County Medical Services Program Subaccount of the Sales Tax Account and the County Medical Services Program Growth Subaccount of the Sales Tax Growth Account of the Local Revenue Fund, as adjusted by the calculations required under subdivision (a) of Section 17600.50.

Section 17600.70 of the Welfare and Institutions Code is repealed:

~~17600.70.~~

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~~(a) As part of the development of the 2019–20 budget, the Department of Finance, in consultation with the California State Association of Counties and other affected parties, shall reexamine the funding structure within 1991 Realignment. Pursuant to subdivision (b), the Department of Finance shall report findings and recommendations regarding the In-Home Supportive Services Maintenance of Effort created in Section 12306.16 and other impacts on other 1991 Realignment programs, including, but not limited to, the following:~~

~~(1) The extent to which revenues available for 1991 Realignment are sufficient to meet program costs that were realigned.~~

~~(2) Whether the In-Home Supportive Services program and administrative costs are growing by a rate that is higher, lower, or approximately the same as the maintenance of effort, including the inflation factor.~~

~~(3) The fiscal and programmatic impacts of the In-Home Supportive Services Maintenance of Effort on the funding available for the Health Subaccount, the Mental Health Subaccount, the County Medical Services Program Subaccount, and other social services programs included in 1991 Realignment.~~

~~(4) The status of collective bargaining for the In-Home Supportive Services program in each county.~~

~~(b) Findings and recommendations shall be reported to the Legislature no later than January 10, 2019.~~

Section 17605 of the Welfare and Institutions Code is amended to read:

17605.

(a) For the 1992–93 fiscal year, the Controller shall deposit into the Caseload Subaccount of the Sales Tax Growth Account of the Local Revenue Fund, from revenues deposited into the Sales Tax Growth Account, an amount to be determined by the Department of Finance, that represents the sum of the shortfalls between the actual realignment revenues received by each county and each city and county from the Social Services Subaccount of the Local Revenue Fund in the 1991–92 fiscal year and the net costs incurred by each of those counties and cities and counties in the fiscal year for the programs described in Sections 10101, 10101.1, 11322.2, 12306, 15200, 15204.2, and 18906.5, and former Section 11322. The Department of Finance shall provide the Controller with an allocation schedule on or before August 15, 1993, that shall be used by the Controller to allocate funds deposited to the Caseload Subaccount under this subdivision. The Controller shall allocate these funds no later than August 27, 1993.

(b) (1) (A) For the 1993–94 fiscal year and fiscal years thereafter, the Controller shall deposit into the Caseload Subaccount of the Sales Tax Growth Account of the Local Revenue Fund, from revenues deposited into the Sales Tax Growth Account, an amount determined by the Department of Finance, in consultation with the appropriate state departments and the California State Association of Counties, that is sufficient to fund the net cost for the realigned portion of the county or city and county share of growth in social services caseloads, as specified in paragraph (2), and any share of growth from the previous year or years for which sufficient revenues were not available in the Caseload Subaccount. The Department of Finance shall provide the Controller with an allocations schedule on or before March 15 of each year. The schedule shall be used by the Controller to allocate funds deposited into the Caseload Subaccount under this subdivision.

(B) It is the intent of the Legislature that counties shall receive allocations from the Caseload Subaccount as soon as possible after funds are received in the Sales Tax Growth Account. The Department of Finance shall recommend to the Legislature, by January 10, 2005, a procedure to expedite the preparation and provision of the allocations schedule described in subparagraph (A) and the allocation of funds by the Controller.

(2) (A) (i) For the 1992–93 fiscal year through the caseload growth calculation for the 2017–18 fiscal year, “growth” means, for purposes of this subdivision, the increase in the actual caseload expenditures for the prior fiscal year over the actual caseload expenditures for the fiscal year preceding the prior fiscal year for the programs described in Sections 10101, 12306, 15200, 15204.2, and 18906.5, and

for which funds are allocated pursuant to subdivision (b) of Section 123940 of the Health and Safety Code.

(ii) Commencing with the caseload growth calculation for the 2018–19 fiscal year and through the 2020-21~~and each~~ fiscal year ~~thereafter~~, for purposes of this subdivision, “growth” means the increase in the actual caseload expenditures for the prior fiscal year over the actual caseload expenditures for the fiscal year preceding the prior fiscal year for the programs described in Sections 10101, 15200, 15204.2, and 18906.5, and for which funds are allocated pursuant to subdivision (b) of Section 123940 of the Health and Safety Code.

(B) Commencing with the caseload growth calculation for the 2017–18 fiscal year and through the 2020-21~~each~~ fiscal year ~~thereafter~~, in addition to subparagraph (A), “growth” shall also include the following:

(i) The additional County IHSS MOE costs to counties pursuant to Sections 12306.16 and 12306.17 for the current fiscal year over the County IHSS MOE costs to counties for the prior fiscal year, less the amount of sales tax revenues received pursuant to subdivision (g) of Section 17600.15 to fund the amount specified in subparagraph (B) of paragraph (3) of subdivision (f) of Section 17600.15 and the amount of vehicle license fee revenues received pursuant to subdivision (c) of Section 17606.20, and, for the 2016–17 fiscal year, the amount of sales tax revenues received pursuant to subdivision (c) of Section 17605.07 and subdivision (g) of Section 17606.10.

(ii) Any additional County IHSS MOE costs to counties pursuant to Sections 12306.16 and 12306.17 for the prior fiscal year over the County IHSS MOE costs to counties for the preceding prior fiscal year that were not included in caseload growth calculation pursuant to clause (i) from the prior caseload growth calculation.

(3) (A) For the 1993–94 fiscal year through the 2016–17 fiscal year, the difference in caseload expenditures between the fiscal years shall be multiplied by the factors that represent the change in county or city and county shares of the realigned programs. These products shall then be added or subtracted, taking into account whether the county’s or city and county’s share of costs was increased or decreased as a result of realignment, to yield each county’s or city and county’s allocation for caseload growth. Allocations for counties or cities and counties with allocations of less than zero shall be set at zero.

(B) For the caseload growth calculation for the 2017–18 fiscal year the difference in caseload expenditures between the fiscal years as determined by clause (i) of subparagraph (A) of paragraph (2) shall be multiplied by the factors that represent the change in county or city and county shares of the realignment programs. These products shall then be added or subtracted, taking into account whether the

county's or city and county's share of costs was increased or decreased as a result of realignment, and added to the amounts determined pursuant to subparagraph (B) of paragraph (2) to yield each county's or city and county's allocation for caseload growth. Allocations for counties or cities and counties with allocations of less than zero shall be set at zero.

(C) Commencing with the caseload growth calculation for the 2018–19 fiscal year ~~and through the 2020-21 and each~~ fiscal year ~~thereafter~~, the difference in caseload expenditures between the fiscal years as determined by clause (ii) of subparagraph (A) of paragraph (2) shall be multiplied by the factors that represent the change in county or city and county shares of the realignment programs. These products shall then be added or subtracted, taking into account whether the county's or city and county's share of costs was increased or decreased as a result of realignment, and added to the amounts determined pursuant to subparagraph (B) of paragraph (2) to yield each county's or city and county's allocation for caseload growth. Allocations for counties or cities and counties with allocations of less than zero shall be set at zero.

(4) (A) Commencing with the caseload growth calculation for the 2021-22 fiscal year and each fiscal year thereafter, "growth" means, for purposes of this subdivision, the increase in the actual caseload expenditures for the prior fiscal year over the actual caseload expenditures for the fiscal year preceding the prior fiscal year for the programs described in Sections 10101, 12306, 15200, 15204.2, and 18906.5, and for which funds are allocated pursuant to subdivision (b) of Section 123940 of the Health and Safety Code.

(B) The difference in caseload expenditures between the fiscal years shall be multiplied by the factors that represent the change in county or city and county shares of the realigned programs. These products shall then be added or subtracted, taking into account whether the county's or city and county's share of costs was increased or decreased as a result of realignment, to yield each county's or city and county's allocation for caseload growth. Allocations for counties or cities and counties with allocations of less than zero shall be set at zero.

(c) Annually, the Controller shall allocate, to the local health and welfare trust fund social services account, the amounts deposited and remaining unexpended and unreserved in the Caseload Subaccount, pursuant to the schedules of allocations of caseload growth described in subdivision (b), within 45 days of receiving those schedules from the Department of Finance. If there are insufficient funds to fully satisfy all caseload growth obligations, each county's or city and county's allocation for each program specified in subdivision (d) shall be prorated.

(d) Prior to allocating funds pursuant to subdivision (b), to the extent that funds are available from funds deposited in the Caseload Subaccount in the Sales Tax Growth

Account in the Local Revenue Fund, the Controller shall allocate moneys to counties or cities and counties to correct any inequity or inequities in the computation of the child welfare services portion of the schedule required by subdivision (a) of Section 17602.

(e) (1) For the 2003–04 fiscal year, no Sales Tax Growth Account funds shall be allocated pursuant to this chapter until the caseload portion of the base of each county's social services account in the county's health and welfare trust fund is funded to the level of the 2001–02 fiscal year. Funds to meet this requirement shall be allocated from the Sales Tax Account of the Local Revenue Fund. If sufficient funds are not available in the Sales Tax Account of the Local Revenue Fund to achieve that funding level in the 2003–04 fiscal year, this requirement shall be funded in each succeeding fiscal year in which there are sufficient funds in the Sales Tax Account of the Local Revenue Fund until the caseload base funding level for which each county would have otherwise been eligible in accordance with subdivision (e) of Section 17602 for that year.

(2) The caseload portion of each county's social services account base shall be determined by subtracting its noncaseload portion of the base, as determined by the Department of Finance in its annual calculation of General Growth Account allocations, from the total base of each county's social services account for the 2001–02 fiscal year.

(f) Commencing with the caseload growth calculation for the 2017–18 fiscal year and each fiscal year thereafter, the Controller shall annually post on his or her Internet Web site the total amount of unfunded caseload growth by county.

Section 17605.07 of the Welfare and Institutions Code is amended to read:

17605.07.

(a) (1) For the 1992–93 fiscal year through the 2014–15 fiscal year, inclusive, after satisfying the obligations set forth in Section 17605, the Controller shall deposit into the County Medical Services Program Subaccount 4.027 percent of the amounts remaining and unexpended in the Sales Tax Growth Account of the Local Revenue Fund.

(2) If the amount deposited to the Caseload Subaccount of the Sales Tax Growth Account pursuant to subdivision (b) of Section 17605 exceeds twenty million dollars (\$20,000,000) for any fiscal year, then an additional amount equal to 4.027 percent of the amount deposited to the Caseload Subaccount shall be deposited to the County Medical Services Program Subaccount of the Sales Tax Growth Account.

(b) (1) For the 2015–16 fiscal year ~~and through the 2018-19~~ fiscal years ~~thereafter~~, after satisfying the obligations set forth in Section 17605, the Controller shall deposit into the County Medical Services Program Growth Subaccount 4.027 percent of the amounts remaining and unexpended in the Sales Tax Growth Account of the Local Revenue Fund.

(2) If the amount deposited to the Caseload Subaccount of the Sales Tax Growth Account pursuant to subdivision (b) of Section 17605 exceeds twenty million dollars (\$20,000,000) for any fiscal year between 2015-16 and 2018-19, inclusive, then an additional amount equal to 4.027 percent of the amount deposited to the Caseload Subaccount shall be deposited to the County Medical Services Program Growth Subaccount of the Sales Tax Growth Account.

(c) (1) Notwithstanding subdivision (b), for the 2016–17 fiscal year, the Controller shall allocate to the social services account of each county and city and county the amount that would otherwise have been deposited into the County Medical Services Program Growth Subaccount pursuant to subdivision (b), except for the amount of funds to be redirected pursuant to Section 17600.50, based on a schedule provided by the Department of Finance developed in consultation with the California State Association of Counties.

(2) The funding allocated pursuant to paragraph (1) shall only be available for allocation to the counties that participate in the County Medical Services Program in the 2016–17 fiscal year.

Section 17605.10 of the Welfare and Institutions Code is amended to read:

17605.10.

(a) For the 2014–15 fiscal year ~~and through the 2018-19~~ fiscal years ~~thereafter~~, after satisfying the obligations set forth in Sections 17605 and 17605.07, the Controller shall deposit any funds remaining in the Sales Tax Growth Account of the Local Revenue Fund into the General Growth Subaccount.

~~(a)~~(b) For the 2019-20 fiscal year and every fiscal year thereafter, after satisfying the obligations set forth in Section 17605, the Controller shall deposit any funds remaining in the Sales Tax Growth Account of the Local Revenue Fund into the General Growth Subaccount.

Section 17606.10 of the Welfare and Institutions Code is amended to read:

17606.10.

(a) For the 1992–93 fiscal year and subsequent fiscal years, the Controller shall allocate funds, on an annual basis from the General Growth Subaccount in the Sales Tax Growth Account to the appropriate accounts in the local health and welfare trust fund of each county, city, and city and county in accordance with a schedule setting forth the percentage of total state resources received in the 1990–91 fiscal year, including State Legalization Impact Assistance Grants distributed by the state under former Part 4.5 (commencing with Section 16700), funding provided for purposes of implementation of Division 5 (commencing with Section 5000), for the organization and financing of community mental health services, including the Cigarette and Tobacco Products Surtax proceeds that are allocated to county mental health programs pursuant to Chapter 1331 of the Statutes of 1989, Chapter 51 of the Statutes of 1990, and Chapter 1323 of the Statutes of 1990, and state hospital funding and funding distributed for programs administered under Sections 1794, 10101.1, and 11322.2, as annually adjusted by the Department of Finance, in conjunction with the appropriate state department to reflect changes in equity status from the base percentages. However, for the 1992–93 fiscal year, the allocation for community mental health services shall be based on the following schedule:

	Percentage
	of Statewide
Jurisdiction	Resource Base
Alameda	4.3693
Alpine	0.0128
Amador	0.0941
Butte	0.7797
Calaveras	0.1157

Colusa	0.0847
Contra Costa	2.3115
Del Norte	0.1237
El Dorado	0.3966
Fresno	3.1419
Glenn	0.1304
Humboldt	0.6175
Imperial	0.5425
Inyo	0.1217
Kern	1.8574
Kings	0.4229
Lake	0.2362
Lassen	0.1183
Los Angeles	27.9666
Madera	0.3552
Marin	0.9180
Mariposa	0.0792
Mendocino	0.4099

Merced	0.8831
Modoc	0.0561
Mono	0.0511
Monterey	1.1663
Napa	0.3856
Nevada	0.2129
Orange	5.3423
Placer	0.5034
Plumas	0.1134
Riverside	3.6179
Sacramento	4.1872
San Benito	0.1010
San Bernardino	4.5494
San Diego	7.8773
San Francisco	3.5335
San Joaquin	2.4690
San Luis Obispo	0.6652
San Mateo	2.5169

Santa Barbara	1.0745
Santa Clara	5.0488
Santa Cruz	0.7960
Shasta	0.5493
Sierra	0.0345
Siskiyou	0.2051
Solano	0.6694
Sonoma	1.1486
Stanislaus	1.4701
Sutter/Yuba	0.6294
Tehama	0.2384
Trinity	0.0826
Tulare	1.4704
Tuolumne	0.1666
Ventura	1.9311
Yolo	0.5443
Berkeley	0.2688
Tri-City	0.2347

(b) The Department of Finance shall recalculate the resource base used in determining the General Growth Subaccount allocations to the Health Account, Mental Health Account, and Social Services Account of the local health and welfare trust fund of each city, county, and city and county for the 1994–95 fiscal year general growth allocations according to subdivisions (c) and (d). For the 1995–96 fiscal year and annually until the end of the 2012–13 fiscal year, the Department of Finance shall prepare the schedule of allocations of growth based upon the recalculation of the resource base as provided by subdivision (c).

(c) For the Mental Health Account, the Department of Finance shall do all of the following:

(1) Use the following sources as reported by the State Department of Health Care Services:

(A) The final December 1992 distribution of resources associated with Institutes for Mental Disease.

(B) The 1990–91 fiscal year state hospitals and community mental health allocations.

(C) Allocations for services provided for under Chapter 1294 of the Statutes of 1989.

(2) Expand the resource base with the following nonrealigned funding sources as allocated among the counties:

(A) Tobacco surtax allocations made under Chapter 1331 of the Statutes of 1989 and Chapter 51 of the Statutes of 1990.

(B) For the 1994–95 allocation year only, Chapter 1323 of the Statutes of 1990.

(C) 1993–94 fiscal year federal homeless block grant allocation.

(D) 1993–94 fiscal year Mental Health Special Education allocations.

(E) 1993–94 fiscal year allocations for the system of care for children, in accordance with Chapter 1229 of the Statutes of 1992.

(F) 1993–94 fiscal year federal Substance Abuse and Mental Health Services Administration block grant allocations pursuant to Subchapter 1 (commencing with Section 10801) of Chapter 114 of Title 42 of the United States Code.

(d) For the Health Account, the Department of Finance shall use the historical resource base of state funds as allocated among the counties, cities, and city and

county as reported by the former State Department of Health Services in a September 17, 1991, report of Indigent and Community Health Resources.

(e) The Department of Finance shall use these adjusted resource bases for the Health Account and Mental Health Account to calculate what the 1994–95 fiscal year General Growth Subaccount allocations would have been, and together with 1994–95 fiscal year Base Restoration Subaccount allocations, CMSP subaccount allocations, equity allocations to the Health Account and Mental Health Account as adjusted by subparagraph (E) of paragraph (2) of subdivision (c) of Section 17606.05, as that subparagraph read on January 1, 2015, and special equity allocations to the Health Account and Mental Health Account as adjusted by subdivision (e) of Section 17606.15 reconstruct the 1994–95 fiscal year General Growth Subaccount resource base for the 1995–96 allocation year for each county, city, and city and county. Notwithstanding any other law, the actual 1994–95 general growth allocations shall not become part of the realignment base allocations to each county, city, and city and county. The total amounts distributed by the Controller for general growth for the 1994–95 allocation year shall be reallocated among the counties, cities, and city and county in the 1995–96 allocation year according to this paragraph, and shall be included in the general growth resource base for the 1996–97 allocation year and each fiscal year thereafter. For the 1996–97 allocation year ~~and through the 2017-18~~ fiscal years ~~thereafter~~, the Department of Finance shall update the base with actual growth allocations to the Health Account, Mental Health Account, and Social Services Account of each county, city, and city and county local health and welfare trust fund in the prior year, and adjust for actual changes in nonrealigned funds specified in subdivision (c) in the year prior to the allocation year.

(f) For the 2013–14 fiscal year ~~and every~~through the 2017-18 fiscal year ~~thereafter~~, the Controller shall do all of the following:

(1) Allocate to the Mental Health Account of each county, city, or city and county based on a schedule provided by the Department of Finance. The Department of Finance shall recalculate the resource base used in determining the General Growth Subaccount allocations to the Mental Health Account in accordance with subdivision (c) and allocate based on that recalculation.

(2) Allocate 18.4545 percent of the total General Growth Subaccount to the health account of each county, city, or city and county based on a schedule provided by the Department of Finance in accordance with subdivision (d).

(3) Allocate the remainder of the funds in the General Growth Subaccount to the family support account of each county or city and county based on a schedule provided by the Department of Finance. These funds shall be expended in accordance with Section 17601.50.

(g) (1) Notwithstanding subdivision (f), for the 2016–17 fiscal year, the Controller shall allocate funds in the following amounts from the General Growth Subaccount of the Sales Tax Account to the social services account of each county and city and county based on a schedule provided by the Department of Finance developed in consultation with the California State Association of Counties:

(A) The funding that would have been allocated to the Mental Health Account of each county or city and county pursuant to the calculations specified in paragraph (1) of subdivision (f).

(B) The funding that would have been allocated to the health account of each county or city and county pursuant to paragraph (2) of subdivision (f), except for the amount of funds to be redirected pursuant to Section 17600.50, Article 12 (commencing with Section 17612.1), and Article 13 (commencing with 17613.1).

(2) The allocation of funds from the General Growth Subaccount of the Sales Tax Account to the social services account as described in paragraph (1) shall not apply to the amount of funds available for allocation to the Mental Health Accounts and health accounts of the Cities of Berkeley, Pasadena, Tri-City, and Long Beach.

(h) For the 2018-19 fiscal year and every fiscal year thereafter, the Controller shall do all of the following:

(1) Allocate 37.433321 percent of the total General Growth Subaccount to the Mental Health Account of each county, city, or city and county in the same proportions as the base funding is allocated for that fiscal year pursuant to Section 17600.15.

(2) Allocate 18.4545 percent of the total General Growth Subaccount to the health account of each county, city, or city and county in the same proportions as the base funding is allocated for that fiscal year pursuant to Section 17600.15.

(3) Allocate the remainder of the funds in the General Growth Subaccount to the family support account of each county or city and county based on a schedule provided by the Department of Finance. These funds shall be expended in accordance with Section 17601.50.

~~(i)~~ (h) The amounts deposited and remaining unexpended and unreserved in the General Growth Subaccount shall be allocated on an annual basis by the Controller, as described in subdivisions (f), ~~and~~ (g), and (h), within 45 days of receiving the General Growth Subaccount allocation schedule from the Department of Finance.

Section 17606.20 of the Welfare and Institutions Code is amended to read:

17606.20.

(a) Annually, the Controller shall allocate money to each county, city, and city and county, from revenues deposited in the Vehicle License Fee Growth Account in the Local Revenue Fund in amounts that are proportional to each county's, city's, or city and county's total allocation from the Sales Tax Growth Account, except amounts provided pursuant to Section 17605.

(b) Notwithstanding subdivision (a), for the 1998–99 fiscal year ~~through the 2018-19~~ and fiscal years ~~thereafter~~, if, after meeting the requirements of Section 17605, there are no funds remaining in the Sales Tax Growth Account to allocate to each county, city, and city and county pursuant to paragraph (1) of subdivision (a) of, or paragraph (1) of subdivision (b) of, Section 17605.07, or Section 17605.10, the Controller shall allocate the revenues deposited in the Vehicle License Fee Growth Account to each county, city, and city and county, in the following manner:

(1) The Controller shall determine the amount of sales tax growth in the 1996–97 fiscal year which exceeded the requirements of Section 17605 in the 1996–97 fiscal year.

(2) The Controller shall determine the amount of sales tax growth allocated in the 1996–97 fiscal year to the County Medical Services Program Subaccount pursuant to paragraph (1) of subdivision (a) of Section 17605.07, and to the Indigent Health Equity, Community Health Equity, Mental Health Equity, State Hospital Mental Health Equity, General Growth, and Special Equity Subaccounts pursuant to Section 17605.10, as that section read on January 1, 2015.

(3) The Controller shall compute percentages by dividing the amounts determined in paragraph (2) by the amount determined in paragraph (1).

(4) For calculation purposes related to paragraph (5), the Controller shall apply the percentages determined in paragraph (3) to revenues in the Vehicle License Fee Growth Account to determine the amount of vehicle license fee growth revenues attributable to the County Medical Services Program Growth, Indigent Health Equity, Community Health Equity, Mental Health Equity, State Hospital Mental Health Equity, General Growth, and Special Equity Subaccounts. This paragraph shall not require the Controller to deposit vehicle license fee growth revenues into the subaccounts specified in this paragraph, and is solely for determining the distribution of vehicle license growth revenues to each county, city, and city and county.

(5) Annually, the Controller shall allocate money to each county, city, and city and county, from revenues deposited in the Vehicle License Fee Growth Account in the

Local Revenue Fund. These allocations shall be determined based on schedules developed by the Department of Finance pursuant to Section 17606.10, in consultation with the California State Association of Counties. The Controller shall allocate these funds within 45 days of receiving the schedules from the Department of Finance.

(c) Notwithstanding subdivisions (a) and (b), for the 2016–17 fiscal year and through the 2020–21 fiscal year, the Controller shall allocate funds in the following amounts from the Vehicle License Fee Growth Account to the social services account of each county or city and county based on a schedule provided by the Department of Finance developed in consultation with the California Association of Counties:

(1) (A) For the 2016–17, 2017–18, and 2018–19 fiscal years, 100 percent of the funding from the Vehicle License Fee Growth Account that would have been allocated to the mental health account and health account of each county or city and county pursuant to calculations specified in subdivision (b) of this section or paragraphs (1) and (2) of subdivision (f) of Section 17606.10.

(B) For the 2016–17, 2017–18, and 2018–19 fiscal years, 100 percent of the funding from the Vehicle License Fee Growth Account that would have been allocated to the County Medical Services Program Growth Subaccount.

~~(2) (A) For the 2019–20 and 2020–21 fiscal years, 50 percent of the funding from the Vehicle License Fee Growth Account that would have been allocated to the mental health account and health account of each county or city and county pursuant to calculations specified in subdivision (b) of this section or paragraphs (1) and (2) of subdivision (f) of Section 17606.10.~~

~~(B) For the 2019–20 and 2020–21 fiscal years, 50 percent of the funding from the Vehicle License Fee Growth Account that would have been allocated to the County Medical Services Program Growth Subaccount.~~

(3) (A) The funding from the Vehicle License Fee Growth Account to be allocated to the social services account of each county or city and county pursuant to subparagraph (B) of paragraph (1) ~~and subparagraph (B) of paragraph (2)~~ in each fiscal year, shall only be available for allocation to the counties that participate in the County Medical Services Program in that fiscal year.

(B) If in any fiscal year in which the funds specified in subparagraph (A) are not fully allocated to the counties that participate in the County Medical Services Program, the remaining funds shall be available for allocation to counties that participate in the County Medical Services Program in the following fiscal year.

(4) The redirection of funds in the Vehicle License Fee Growth Account to the social services subaccount described in paragraphs (1) ~~and (2)~~ shall not apply to the amount of Vehicle License Fee growth available for deposit into the Health and Mental Health Subaccounts for the Cities of Berkeley, Pasadena, Tri-City, and Long Beach.

(5) The Controller shall allocate these funds within 14 days of receiving the schedules from the Department of Finance.

(d) For the 2017–18 ~~and 2018-19 fiscal year through the 2021–22~~ fiscal years, the State Controller shall ~~annually~~ post a calculation of the Vehicle License Fee growth revenue that the Health, Mental Health, and County Medical Services Program Subaccounts would have otherwise received if subdivision (c) were not in effect.